

**GOVERNMENT EMPLOYEES INSURANCE COMPANY**  
**EXPLANATORY MEMO SECTION I**

**I: If your company writes in any lines of insurance specified in Bulletin 2020-3 and has determined no refunds are necessary, please explain and provide any relevant documents.**

**If you need additional space, please include an additional file with your submission.**

While the COVID-19 pandemic has impacted the Commercial Auto line of business, we have been evaluating those impacts in the context of our overall loss results prior to the COVID-19 outbreak. GEICO's Commercial Auto product has not been profitable in CA over the last 2 years, with calendar year loss ratios of 91.8% in 2018 and 102.4% in 2019. While Commercial Auto frequencies have decreased from 2019 levels, they have not decreased in the same magnitude as the private passenger frequencies. Our reported claim counts decreased 27% in April, but only 8% in May (based on claims reported as of May 20).

<b>New Claims</b>		
<b>Month</b>	<b>Open</b>	<b>YOY Chg</b>
<b>2020-05*</b>	189	-8%
<b>2020-04</b>	135	-27%
<b>2020-03</b>	156	5%
<b>2019-05</b>	205	
<b>2019-04</b>	184	
<b>2019-03</b>	148	

**\*Projected from 5/20/2020**

We had a pending filing with the CDI that was submitted on 2/28/2020 for a +14.7% change. In light of the current COVID-19 environment we withdrew that filing on 5/19/2020. We believe no further premium actions are warranted at this time.